

State Senate
State of Tennessee



State Legislature organizes business as 106th General Assembly convenes

For Immediate Release

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(NASHVILLE, TN), January 15, 2009 -- The 106th General Assembly was gaveled to order this week in Nashville as the state's 132 lawmakers took the oath of office, elected officers and organized to begin the business of the 2009-2010 legislative sessions.

Families and friends crowded the Senate chamber and watched proudly as 16 of the State Senate's members took the oath of office, which was the first order of business during the organizational session. New members of the State Senate include Senator Mike Faulk (R-Church Hill), Senator Dolores Gresham (R-Somerville), Senator Doug Overbey (R-Maryville), Senator Ken Yager (R-Harriman), Senator Eric Stewart (D-Winchester) and Senator Tim Barnes (D-Clarksville). Republicans hold a 19 to 14 majority in the State Senate after picking up three new seats in November.

The second order of business was the election of Lt. Governor Ron Ramsey. Ramsey, who also serves as Speaker of the Senate, is serving his second term as Lt. Governor.

In his remarks Ramsey recounted his pledge two years ago to work in a bi-partisan way saying, "I think the record will show that we worked very well with the Governor and the House of Representatives to move our state forward in doing the people's business."

"I promised you we would encourage a strong economy," he continued. "I am very proud of the work done by the Senate to create a business climate which has seen major manufacturing plants move here and create thousands of jobs. I said we would begin to build a world class education system: The Senate has funded K-12 education to an extraordinary degree given the challenges

which face our economy. We will continue the effort to improve our education system by providing more flexibility for educators to teach our children.”

Speaking on the state’s budget, Ramsey set the stage for Republican resistance to new tax proposals. “Two years ago I vowed to work with you to create sound fiscal policy without a state income tax,” he said. “I am certain we have accomplished this. We now face tough budget times and the talk is of streamlining government and using reserves - not resorting to a tax that discourages work and prevents individuals from getting ahead in life.”

General Assembly elects new Secretary of State, Treasurer, and Comptroller

The opening week of the 106th General Assembly was also marked by election of the state's constitutional officers, the secretary of state, treasurer and comptroller. The state’s constitution provides that the legislature selects the three offices in a joint session during the organization session of each General Assembly, which occurred on Thursday.

Republicans in the General Assembly have a 69 to 64 majority over Democrats after the November election, providing the first opportunity in 140 years to elect the constitutional officers. Elected and sworn in were Tre Hargett as Secretary of State, David Lillard as State Treasurer, and Justin Wilson as Comptroller. Hargett will serve a four-year term, while Lillard and Wilson will serve two-year terms as provided by the Constitution.

The secretary of state has oversight over elections and businesses in the state. The comptroller audits state agencies and county governments to ensure they are run well. The treasurer keeps track of the state's coffers, its investments and its pension funds. The three officers also serve on several key boards together, such as the State Building Commission, which maintains all state-owned public buildings; the Funding Board, which helps guide budgeting; and the Tennessee Housing Development Agency, which builds affordable housing.

Hargett is a former State Representative and served as House Republican Leader before becoming Director of the Tennessee Regulatory Authority. Lillard, an attorney and past president of the Tennessee County Commissioners Association, has extensive experience in municipal finance issues, securities and bonds, and investment oversight. Wilson is former Deputy Governor of Tennessee and has vast experience with fiduciary matters in law, business and charitable organizations.

“This is the first time the selection of the constitutional officers has been open to the public for comment and review,” said Senate Majority Leader Mark

Norris, the architect of the plan. "I believe the result is three of the best officers possible to serve the people of Tennessee in these important roles."

Financial issues expected to dominate 2009 legislative session

With organizational tasks out of the way, the General Assembly can now get to work on the important issues facing Tennessee. Topping this year's agenda will be consideration of a balanced budget in one of the worst financial years faced by lawmakers in a long time.

"The state's economic outlook for the next fiscal year is grim," said Senate Finance Chairman Randy McNally (R-Oak Ridge). "Tennessee's year-to-date collections for five months are currently \$407.8 million below the budgeted estimate. The state could be left to deal with as much as \$780 million to a \$1 billion shortfall by the end of the budget year in June."

There are still many unknown factors regarding finances remaining for the year ahead, including the level of financial aid that might be forthcoming to the states from the federal government. McNally said such aid would provide the state with a "softer landing" in light of the cuts needed to help bridge the gap in revenue shortfalls for the 2008-09 fiscal year.

One comparison for aid that could be sent to states is a stimulus package disbursed in 2003 which included increased matching rates in federal programs that were stretched out over a two-year period. President-elect Obama has also indicated he will put forth an infrastructure-building program to states to stimulate job growth. The Tennessee Department of Transportation has a backlog of projects that are in need of construction. The stimulus package is expected to be considered immediately after Obama takes office.

Tennessee could benefit from more than \$268 million in federal money from such an economic stimulus bill. The plan under discussion has a total package of \$12.8 billion to go to states for the infrastructure-building program. It is estimated that almost \$12 billion is needed for road projects in Tennessee for the next decade.

Similarly on financial issues, expect the solvency of the fund to be a topic for discussion this session when the General Assembly convenes. Tennessee's unemployment fund had a balance of about \$517 million as of November. Experts say a drop below the \$400 million level would cause great concern.

The General Assembly has adjourned until February 9, 2009 to assign offices and await budget details. The governor is expected to deliver his budget address at that time.

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